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May 3, 1996

William F. Canton, Acting Secretary
Federal Communications Commission
1919 M Street - Room 222
Washington, D.C. 20554

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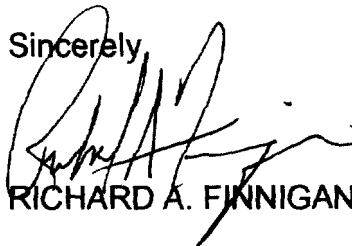
VIA AIRBORNE EXPRESS

Re: Universal Service NPRM - CC Docket No. 96-45

Dear Mr. Canton:

Enclosed are the original and nine copies of the Reply Comments of the Washington Independent Telephone Association in the above-referenced docket. Thank you for the opportunity to participate in this proceeding.

Sincerely,


RICHARD A. FINNIGAN

RAF/aw

Enclosures as noted

cc: International Transcription Service
Federal-State Joint Board and Staff
Terry Vann
Gary Bauer

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BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C.

In the Matter of

Federal-State Joint Board
on Universal Service

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CC DOCKET NO. 96-45

REPLY COMMENTS OF THE
WASHINGTON INDEPENDENT TELEPHONE ASSOCIATION
TO THE COMMENTS OF
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Its Attorney:

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WASHINGTON, D.C. 20554

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)	THE WASHINGTON INDEPENDENT
Federal-State Joint Board)	TELEPHONE ASSOCIATION TO THE
on Universal Service)	COMMENTS OF WASHINGTON
)	UTILITIES AND TRANSPORTATION
)	COMMISSION
_____)	

These are the reply comments of the Washington Independent Telephone Association (hereinafter referred to as "WITA") submitted in response to the Comments of the Washington Utilities and Transportation Commission of April 10, 1996.

1. Introduction

The Washington Independent Telephone Association ("WITA") respectfully submits the following reply comments in the Federal Communication Commission's ("FCC") Notice of Proposed Rulemaking and Order Establishing Joint Board ("NPRM"). These reply comments will focus on the comments of the Washington Utilities and Transportation Commission ("WUTC").

2. The WUTC Correctly Emphasizes the Importance of the Existing Universal Service Fund.

In its comments, the WUTC notes the substantial support provided by the Universal Service Fund and the Dial Equipment Minutes weighting factors in the state of Washington.

The WUTC states:

In Washington, as a general proposition, the support generated by the programs has been used for the purposes intended, providing needed support to companies with long loops and high costs in an explicit manner. While these mechanisms need to be modernized to achieve the goal of competitive neutrality set by the Act, any replacement mechanism must be fashioned with great care. (Emphasis supplied)

Comments of the Washington Utilities and Transportation Commission dated April 10, 1996 at p. 11.

WITA agrees with the WUTC. It is this support that has allowed the WUTC's policies requiring touch-tone single party lines free of suburban mileage charges to be made available to nearly all customers in the state of Washington. Without the support from the existing programs, those goals would not have been reached. Without this support, the deployment of digital switches throughout the rural areas of the state of Washington would not have been accomplished.

WITA also agrees with the WUTC's position that any changes to the current mechanism or any changes to any replacement mechanism must include a transition period. As stated by the WUTC:

Sudden changes in existing support mechanisms could potentially have a dramatic negative effect in both service quality and affordability, particularly from the perspective of incumbent LEC customers. . . . These principles [service quality and affordability] should be followed to make certain that the transition to a new universal service policy does not itself become harmful to consumers.

WUTC Comments at p. 12.

3. Conclusion

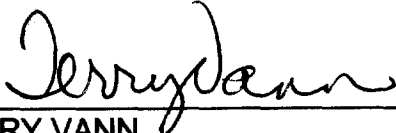
The local exchange companies serving rural, high cost areas have done a very good job of using the support provided from existing support mechanisms to develop telecommunications infrastructure in those areas. It must be remembered that the local exchange companies invested the millions of dollars needed to build that infrastructure before they could even apply for USF support. It must also be remembered that the companies are not reimbursed for their investment in one year—it is over the life of the plant. This means the support mechanisms come into play on a delayed basis and reimburse over a long period of time.

These facts suggest that if there is a change from the way support is provided today, it must include a transition mechanism which recognizes the existing investment made under today's rules. The Telecommunications Act of 1996 directs that the Universal Service mechanism must be "sufficient" to provide the necessary facilities to "preserve and advance universal service." Section 254(d)

Respectfully submitted this 3rd day of May, 1996.

WASHINGTON INDEPENDENT TELEPHONE
ASSOCIATION

By:


TERRY VANN
Executive Vice President

CERTIFICATE OF SERVICE

I, Candiss A. Watson, do certify that on May 3, 1996, copies of the Reply Comments of the Washington Independent Telephone Association were deposited in the U.S. Mail, first class, postage prepaid to the persons on the attached service list.

Candiss A. Watson
CANDISS A. WATSON

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